



## Public Power Council

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**VIA EMAIL**

Tech Forum  
Bonneville Power Administration  
911 NE 11<sup>th</sup> Ave.  
Portland, Oregon 97232  
[techforum@bpa.gov](mailto:techforum@bpa.gov)

Re: PPC Comments Regarding BPA's Business Practice "Customer Supplied Wind Balancing Services Pilot Program," Version 3

Dear Tech Forum:

PPC supports BPA's efforts to provide avenues for wind plants to self-supply balancing services. The ability to self-provide balancing services affords customers a means to lower their costs; it also relieves the balancing authority of the obligation to hold capacity and provide energy for balancing the self-supplied plants.

The self-supplied service, however, must fully displace the balancing service that the customer would otherwise take from the balancing authority. To that end, generating resources providing the self-supplied balancing service must meet the same basic criteria as the balancing authorities' resources. Capacity must be secured by the self-supplying customer and be available to provide the balancing energy used by the customer. Otherwise, there is no assurance that the self-supplying customer will be able to supply the energy that is needed to balance in any given hour. If the self-supplying customer does not provide the balancing energy, the customer will necessarily fall back on the balancing authority to provide that energy. Without that requirement that capacity be secured, the balancing authority must continue to hold capacity to provide balancing energy for the self-supplying customer to ensure that the system remains balanced in the event that the customer fails to supply energy, and the customer must continue to pay for the capacity that the balancing authority holds. In that case, neither the balancing authority nor the customer achieves the desired efficiencies.

We agree with BPA's eligibility requirement in the proposed business practice that energy purchased from a market must be backed by capacity. Bus. Prac, § A(1)(h). This requirement is consistent with the nature of balancing service that the party providing it must hold capacity during the delivery hour to provide energy needed to match the wind resource's variability. There is no rationale for why that requirement should be different depending on the party supplying the service, whether it is the balancing authority or customer. A failure to require capacity would place a substantial risk on the balancing authority and cause it to carry extra capacity, which under current rates is not charged to wind customers. Allowing self-supply wind customers to access federal capacity without paying for it creates unrecovered costs and significant reliability risks for BPA. BPA's Business Practice takes an appropriate approach to address this issue.

Thank you very much for the opportunity to comment on the proposed business practice. If you have any questions about these comments or wish to discuss them, please call me at your convenience.

Sincerely,

/s/

Nancy Baker  
Senior Policy Analyst

cc: Scott Corwin, Executive Director